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American Craft Beer Promotion

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Market Development Reports

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Report Highlights:

On March 17, 2011, ATO Guangzhou organized a well attended American Craft Beer Educational Media Seminar and consumer event geared towards hotel food and beverage managers, retailers, restaurant proprietors, importers/traders as well as local leading media outlets in the China Hotel- A Marriott Hotel of Guangzhou. The promotion was tied to the Irish American culture and includes beer drinking celebrations. Media outlets are keen to report on culture. The purpose of the event was to create awareness and interest for U.S. craft beer during the St. Patrick's Day holiday. After the trade event, ATO held a press conference which included U.S. Consulate General Guangzhou Consul General Brian Goldbeck, the Brewers Association, U.S.A. local representative, U.S. craft beer distributor Dxccl, and other members of the Consulate community. The consumer event was jointly hosted with South China's American Chamber of Commerce (AMCHAM). ATO partnered with AMCHAM in order to increase local consumer participation and try the new beer products. Both the press conference and consumer event were widely attended with massive media coverage.

I. Market Constraints and Opportunities

The educational media seminar, press conference, and consumer promotion were awareness building activities that addressed the following market constraints:

- South China's HRI industry is only dominated by Chinese local brands of beer or other imported European beer, but there is insufficient awareness of American craft beer. Almost no American craft beer is served at South China HRI sectors;
- Local restaurant owners, retailers, and importers lack professional knowledge on the special qualities of American craft beer;
- Limited consumer awareness of American craft beer

The press conference also explored new opportunities to:

- Increase the knowledge and awareness on American craft beer;
- Improve retailers, alcohol importers as well as hotel and restaurant managers' understanding of the products, marketing advantages, varieties and prices to increase sales of U.S. craft beer;
- Pair a cultural holiday with an American craft beer promotion in order to generate greater publicity at a lower cost to the industry

II. Expected Results and Desired Outcomes

- Exposed South China's consumers to a variety of high quality American craft beer through consumer events in the China Hotel;
- Assisted U.S. exporters, Brewers Association, U.S.A., Chinese importers, and distributors to generate direct trade contacts and increase communication.
- Increase outreach to local media on reporting on U.S. products through a press conference.
- Introduced and tested new-to-the-market American craft beer to South China's high end food service industry;

III. Actual Results and Outcomes

<u>Results/Outcomes</u>	<u>Expected</u>	<u>Actual</u>
- Press Conference in Guangzhou	40	50
- Consumer promotion in Guangzhou	150	200
- Media reports	6	11

IV. Press Conference and Consumer Event

U.S. Craft Beer Eying the Pearl River Delta Market, Mar 17

On March 17, ATO Director and staff met with the largest U.S. craft beer distributor in China (Dxcel) to discuss upcoming promotions in south China. One of the areas discussed was supporting the Sam Adams label's re-entry into the Pearl River Delta market. We also discussed working closely with restaurants and bars in a strategic way to ensure pricing structures between the retail and HRI sector were not too disparate and that the distribution and handling of the product were emphasized to ensure the best quality and taste. Though ATO Guangzhou strongly encouraged the distributor to consider soft marketing in second tier cities, the company remains highly risk adverse and would like to grow exclusively in the 1st tier cities of Guangzhou and

Shenzhen. ATO Guangzhou will be encouraging the Brewers Association USA to pay more serious attention to their marketing strategy for the China market and adjust for regional differences.

ATO Guangzhou's U.S. Craft Beer Promotion Generates More Success on Bringing American Craft Beer to South China

On March 17th, 2011, ATO Guangzhou jointly hosted an American Craft Beer Media Press Release and Trade Seminar followed by a consumer promotional event at the China Hotel, A Marriott Hotel with Brewers Association, U.S.A. This educational Seminar has inspired one the participated retailers, Safe Max, to bring U.S. craft beer to South China. Safe Max is the first 24 hour American owned Supermarket located at Zhujiang New Town, the Central Business Development area in Guangzhou, China with concentrated high-end consumers who are more open to try new products. Safe Max reported that a brand of American craft beer from Western Marin County, California, Lagunitas IPA, an award-winning craft beer, has been brought to show up in China for the first time.

According to the owner of Safe Max supermarket, Lagunitas IPA is very drinkable and has a pleasant earthy aroma without too much harshness on the palate. Additionally, the alcohol content is slightly lower than other IPA style beers. Normally most Chinese consumers prefer beer with lighter flavor and lower alcohol content; however, consumers in Guangzhou are more willing to try new products. After a month of promotions and tastings, they've now have stable buyers of the Lagunitas IPA to their supermarket and they are planning to bring more labels of beer to South China.

ATO Guangzhou continues to provide business matchmaking for U.S. spirits and beer exporters with local importers and retailers. In June ATO Guangzhou staff provided consultation for alcohol import procedures to F2E Ventures LLC, a California exporter who is planning to bring 7~8 different brands of craft beer to South China. ATO Guangzhou was responsible for making these critical connections between F2E, Safe Max and other local importers.

V. American Craft Beer Press Conference Received Wide Media Coverage

The American Craft Beer Press Conference on St. Patrick's Day received wide coverage by the leading media agencies such as China News (or Zhong Xin She, an influential media next to Xinhua News) and Netease (one of leading internet news media groups). The Public Affairs Service (PAS) and China Hotel provided assistance in media liaising. Other than online reports, several professional magazines and newspapers such as Purchasing Magazine and Guide to Delicacy also covered these seminars extensively.

Some web links include:

China News Service

[St. Patrick's Day lands in GZ, Chinese and foreign public feast on craft beer](#)

Highlights: At the St. Patrick's Day celebration, CG Goldbeck appreciates the opportunity for Guangzhou communities to know more about US craft beer, and hopes American and Chinese

friends enjoy the festive celebration and culture about beer. Officer Cowdery introduces about American history of St. Patrick Day. Office Gately talks about how beer is further developed in the US. Some guests find American craft beer tastes good. The participants enjoyed the event and the beer.

Online:

<http://www.gd.chinanews.com/2011/2011-03-18/2/98031.shtml>

Republishes:

http://www.gzkeri.com/show_news.asp?id=432

<http://expo.wanjingchina.com/bencandy.php?fid=46&id=5976>

Guangzhou Daily (cir. – 1.85 million)

Tasting craft beer as tasting red wine (April 9, P. C3)

Highlights: American craft beer gets more and more popular recently and is available at China Hotel, Guangzhou. The writer uses and focuses on all the feeds of Brewers' Association about craft beer's features and their varieties.

http://gzdaily.dayoo.com/html/2011-04/09/content_1316555.htm

Republishes:

<http://eat.gd.sina.com.cn/news/2011-04-09/26015.html> (Sina)

http://travel.ifeng.com/roll/detail_2011_04/09/5635373_0.shtml (iFeng)

<http://www.canyin88.com/shishang/jiuhaihuanchao/2011496718.htm>

That's PRD magazine (cir. – 100,000), April issue

Highlights: It is a photo story in English, highlighting the festive and cultural sharing.

Sina.com

Feast on authentic craft beer on American St. Patrick's Day

Highlights: It uses all the Consulate's press release. The U.S. Agricultural Trade Office and the U.S. Brewers Association organized their first St. Patrick's Day celebration. CG Goldbeck and other officers share the festival experiences and beer culture with Guangzhou people and Irish-Americans. Meanwhile, the U.S. Brewer Association and its Chinese distributor also introduce a variety of craft beer and wine tasting techniques, and they also taste the four different types of beer.

<http://eat.gd.sina.com.cn/news/2011-03-21/24730.html>

Lifeofguangzhou.com

Celebrating St. Patrick's Day with American Craft Beer

Highlights: US CG Goldbeck remarks "as Benjamin Franklin once said 'Beer is living proof that God loves us and wants us to be happy'".

Online:

http://www.lifeofguangzhou.com/node_981/node_989/node_994/node_1024/2011/03/18/130043370085848.shtml

Guangzhou TV, i-Channel

http://v.youku.com/v_show/id_XMjU4NzI2OTY4.html

Highlights: In the news story in English, pitifully no vocals and no Chinese subtitles mentions it was the US initiative, or the US participation or sponsorship. American beer is not mentioned, either. CG Goldbeck and FCS Officer Gately are quoted talking about the St. Patrick Day traditions, including the one in the US, and the cultural sharing in Guangzhou.

VI. Post Contact Information

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